

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. Contract Number POKA-2004-B-0033-JJ		Page of Pages 1 of 4	
2. Amendment/Modification Number 3		3. Effective Date 11/5/2004		4. Requisition/Purchase Request No.		5. Solicitation Caption FY 04 CW Traffic Signal Construction	
6. Issued By: District Department of Transportation Construction Contract Branch 2000 14th Street, NW, 6th Floor Washington, D.C. 20009				7. Administered By (If other than line 6) Procurement Support Branch 2000 14th Street, NW, 3rd Floor Bid Room Washington, D.C. 20009			
8. Name and Address of Contractor (No. Street, city, country, state and ZIP Code)				(X)		9A. Amendment of Solicitation No. POKA-2004-B-0033-JJ	
						9B. Dated (See Item 11) 9/29/2004	
						10A. Modification of Contract/Order No.	
						10B. Dated (See Item 13)	
Code		Facility					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended. <input checked="" type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. Accounting and Appropriation Data (If Required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14							
A. This change order is issued pursuant to: (Specify Authority)							
The changes set forth in Item 14 are made in the contract/order no. in item 10A.							
B. The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation date, etc.) set forth in item 14, pursuant to the authority of 27 DCMR, Chapter 36, Section 3601.2.							
C. This supplemental agreement is entered into pursuant to authority of:							
D. Other (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>1</u> copies to the issuing office.							
14. Description of amendment/modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.)							
The current bid opening date of November 12, 2004 is not extended Attached herewith is the answer to a specific question raised at the pre-bid meeting held on October 21, 2004 which was not addressed in Addenda No. 2. In addition, one (1) additional question received since the issuance of Addenda No. 2 is presented and answered at the conclusion of this addendum. This addenda consists of this page and 3 pages which are attached hereto.							
Except as provided herein, all terms and conditions of the document referenced in Item (9A or 10A) remain unchanged and in full force and effect							
15A. Name and Title of Signer (Type or print)				16A. Name of Contracting Officer Jerry M. Carter			
15B. Name of Contractor		15C. Date Signed		16B. District of Columbia		16C. Date Signed 11/5/2004	
(Signature of person authorized to sign)				(Signature of Contracting Officer)			

The following question was raised at the pre-bid meeting on October 21, 2004 and was not answered in Addendum Number 2

Question: Central Armature noted that this contract features a base year and four (4) option years. This will be a five year contract if all option years are exercised. They noted that the price of steel and copper is very high and changing at an unpredictable rate. Pricing out year pay items featuring such materials is risky when prices are unstable and difficult to predict. Can such materials be purchased early in the base year based upon the estimated quantities for each year and sold back to the city if option years are not exercised change to?

ANSWER: The purchase and storing of five years worth of steel based materials early in the base year of the contract will not be permitted. Rather, annual adjustments to the quoted unit price for selected steel based materials will be permitted in accordance with the following methodology:

STEEL PRICE ADJUSTMENTS

GENERAL: This section will provide a methodology for recalibrating specific pay items annually for increases and decreases attributed exclusively to market fluctuations in the price of steel. Justified adjustments in pay item prices will be made to prices quoted for Option Year No. 1 through No. 4.

ELIGIBLE WORK: Pay items in this contract deemed eligible for pay item unit bid price adjustments for the option years include:

618 514	Furnish and Install Galvanized Steel Transformer Base
618 536	Furnish and Install 28 Foot 6 Inch Tall Pendent Post Street Light Pole
618 740	Furnish and Install 20 Foot Tall Steel Traffic Signal Pole
618 742	Furnish and Install 8 Foot Long Clamp on Mast Arm with Clamp and Removable End Cap

No adjustment will be made for any other pay item contained in this contract. Additional quantities of existing contract pay items over and above those estimated by the city for any given option year will be considered eligible work. Work performed by the contractor at its own expense will not be eligible for price adjustment. No adjustment will be made to prices quoted for the base year.

BIDDING INSTRUCTIONS: Prospective bidders shall submit unit bid prices for the contract base year. Since each pay item includes the cost to furnish and install the product, the prospective bidder's price shall include the cost of the material, profit, labor and equipment needed for installation. These prices shall remain constant for all work

performed during the base year. The cost of the material for the base year contract shall be directly related to the Producer Price Index (PPI) Series Id: WPU1017, Item: Steel Mill Products, as defined by the United States Department of Labor, Bureau of Labor Statistics for the month of contract bid opening, or the closest month for which data is available and current.

Prospective bidders shall also submit unit bid process for each of the four (4) option years. The unit bid price for any given option year shall be calculated as the sum of the contractor's profit for that year, the contractor's labor and equipment costs for that year, and the cost of the material (pole, mast arm, or transformer base) for the previous year multiplied by 1.20. The unit bid price can be displayed for any option year as follows:

$$\text{Pay Item Unit Cost (YEAR N)} = \text{Profit (YEAR N) + Labor and Equipment (YEAR N) + [Material Cost (YEAR N-1) x 1.20]}$$

Where Year N = Upcoming option year
Year N-1 = Previous contract year

STEEL PRICE ADJUSTMENT CALCULATIONS

The contractor's unit prices for the four pay items listed under "Eligible Work" shall be recalibrated annually at the beginning of each option year. The recalibrated unit price for a given option year shall remain in effect for all work occurring during that option year, and this recalibrated unit price may be equal to, higher than, or lower than the price bid by the contractor for that option year. The recalibrated Pay Item Cost for any option year shall be calculated according to the following formula:

$$\text{Pay Item Unit Cost (YEAR N)} = \text{Pay Item Unit Cost (YEAR N-1)} [1 + [(MI-BI)/BI] (0.30)]$$

Where YEAR N = Upcoming option year
YEAR N-1 = Previous contract year
MI = Producer Price Index for upcoming year
BI = Producer Price Index for previous year
Note: The multiplier 0.30 is used to account for the fact that 30% of the product cost relates directly to the price of steel.

The Producer Price Index (PPI) Series Id: WPU 1017, Item: Steel Mill Products referenced under "Bidding Instructions" shall be used in this calculation. The PPI for the base year is defined as the PPI for the month of contract bid opening. The PPI for option years is defined as the PPI published 15 calendar days prior to the date that particular Option Year is eligible to be awarded. The contractor shall furnish to the contracting officer official documentation from the Department of Labor stating the PPI for the upcoming option year and all calculations leading to the recalibrated unit price prior to Option Year Award. The project COTR, the contracting officer, and the contractor will mutually concur with the recalibrated pay item unit prices before the

upcoming Option Year Award is issued. The recalibrated pay item unit cost shall not deviate from the unit cost employed for the previous year by more than 50%.

The following question was received by e-mail on November 3, 2004

QUESTION: Central Armature seeks clarification on the subject of employee training. What does the 275 hours for Pay Item 000 003 refer to? Is this related to the training session run by the D.C. Traffic Signal Division referenced in Special Provision 21? How much time is required to conduct the training referenced in Special Provision 21.

ANSWER: Special Provision 21 clearly specifies two separate training events. The training specified in Pay Item 000 003 is detailed in Section 103.04 of the Red Book. This training is in no way related to the specialized training required under Special Provision No. 21. The training conducted by the Traffic Signal System Division is not part of Pay Item No. 000 003. This specialized training typically takes about 8 hours to complete, and the cost for this training is equally distributed over pay items identified in Special Provision 21.